ANG POON TEIK

v.

PP

HIGH COURT MALAYA, JOHOR BAHRU
ABDUL MALIK ISHAK J
[CRIMINAL APPEAL NO: 41-35-1996]
1 MARCH 1998

TRADE MARKS: *Trade description - Trade description order granted in relation to respondent's steel wool product with "Double Axe" brand - Whether appellant's steel wool product with "Lion" brand was a false trade description within trade description order - Whether trade description order was conclusive proof of false trade description - Trade Descriptions Act 1972, s. 16(3) - Whether purchasers would be deceived into thinking that appellant's products were that of the respondent's - Whether the recollection test applied to purchasers of the products concerned*

The appellant was found guilty and convicted under s. 3(1)(b) of the Trade Descriptions Act 1972 ('the Act') in the magistrate's court for passing off his products of steel wool as that of another ('the complainant'). In this instance, the appellant was appealing against the said conviction.

The appellant raised the following issue for determination of the court, ie, whether the trade description order obtained pursuant to s. 16(1) of the Act in relation to the "Double Axe" brand, encompassed the "Lion" brand of the appellant. In the event the answer was in the negative, it was submitted that the appellant was entitled to be acquitted and be free to trade in that get-up.

Held:

[1] When the appellant displayed the three units of steel wool with "Lion" as a trade mark on an identical label design and in the same colour and design get-up as that of the complainant, it was done with the purpose of selling those goods and passing them off as the products of the complainant.

[2] On scrutiny of the products concerned, this court was driven to conclude that the prosecution had proved its case beyond reasonable doubt under s. 3(1)(b) of the Act. The said products were perfect examples of goods which were being sold and passed off as the products of the complainant.

[3] By virtue of s. 16(3) of the Act, the trade description order from the Malacca High Court was conclusive proof that the "Lion" get-up was a false trade description in the context of the "Double Axe" trade mark. One did not have to use a "Double Axe" brand on a steel wool product to run foul of the trade description order. All one needed to do was to produce a product in connection and in association with steel wool resembling in terms of colour schemes and designs with that of the "Double Axe" brand.

[4] In offering to supply the three units of steel wool with a "Lion" brand, and exposing them in the premises as itemised in the charge, the appellant was deemed to offer or supply them within the context of s. 8 of the Act. Further, by displaying the products concerned in the premises as set out in the charge, the appellant was conducting a trade or a business contrary to s. 3(1)(b) of the Act.

[5] The general recollection test must be applied to "people who are generally illiterate and who do their shopping in small dark grocers' shops where large quantities of goods are crowded in a disorderly manner into a very small space." This scenario appeared to be the same in the instant appeal.

[5a] Rural housewives or illiterate purchasers when purchasing steel wool would base their choice on the recollection test. These purchasers would be attracted to the colour schemes and designs and would inevitably purchase the products bearing the "Lion" brand thinking that it was the "Double Axe" brand. Deception would be the order of the day.

[5b] Deception is not an ingredient of the offence under s. 3(1)(b) of the Act, yet when any person who, in the course of a trade or business supplies or offers to supply any goods to which a false trade description applies, it will by necessity bring in the concept of deception. Deception must be caused to generate inducement in the mind of not only the complainant but also the purchasers.

[Appeal dismissed.]

Cases referred to:
AEG Carapiet v. AY Derderian AIR [1961] Cal 359 ***(refd)***
Ang Seng Ho v. Public Prosecutor [1991] 3 MLJ 334 ***(refd)***
Attorney-General v. Milne [1914] AC 765 ***(refd)***
Barrell v. Fordree [1932] AC 676 ***(refd)***
Bewlay v. British Bata Shoe Co. [1959] 1 WLR 45 ***(refd)***
Browne v. Dunn [1893] 6 R 67 ***(refd)***

Chung Shin Kian & Anor v. Public Prosecutor [1980] 2 MLJ 246 ***(refd)***
Clode v. Barnes [1974] 1 WLR 544 ***(refd)***
Croxford v. Universal Insurance Co [1936] 2 KB 253 ***(refd)***
E. v. Comptroller-General of Inland Revenue [1970] 2 MLJ 117 ***(refd)***
Grainger & Son v. Gough [1896] AC 325 ***(refd)***
In-Comix Food Industries Sdn Bhd v. A Clouet & Co (KL) Sdn Bhd [1997] 4 MLJ 71 ***(foll)***
In The Matter of An Application By The Pianotist Company Ld For the Registration Of A Trade Mark [1906] Vol XXIII Reports of Patent, Design 774 ***(dist)***
Jafferjee v. Scarlett [1937] 57 CLR 115 ***(refd)***
M.I. & M. Corporation & Anor v. A. Mohamed Ibrahim [1964] 30 MLJ 392 ***(refd)***
Norman v. Bennett [1974] 3 All ER 351 ***(refd)***
Public Prosecutor v. Hing Ah Huat [1971] 1 MLJ 52 ***(refd)***
Ramautar Choukhany v. Hari Ram Todi [1982] Cri LJ 2266 [Gau] ***(refd)***
Re A Debtor (No. 3 of 1926) [1927] 1 Ch 97 ***(refd)***
Re Chan Kuan Sang [1993] 2 MLJ 375 ***(refd)***
Re Pichi Muthu [1970] 2 MLJ 143 ***(refd)***
Shaik Sahied bin Talip v. Khoo Kang Chek [1934] MLJ 283 ***(refd)***
Syarikat Chip Seng Trading Sdn Bhd & Anor v. Public Prosecutor [1979] 2 MLJ 82 ***(refd)***
Tang Kee Chie v. Public Prosecutor [1987] 1 MLJ 430 ***(refd)***
Webb v. Baker [1916] 2 KB 753; and Towers & Co Ltd v. Gray [1961] 2 All ER 68 ***(refd)***
Wooley [1850] 4 Cox 193 ***(refd)***

Legislation referred to:
Trade Descriptions Act 1972, ss. 1(a), (b), 3, 3(1), 3(1)(b), 8, 16(1), (3), 18(1)

Other source referred to:
Law of Trade Marks, Kerly, 8th edn, p 409

For the appellant - Eow Khean Fatt; M/s Skrine & Co
For the respondent - Iskandar Shah Ibrahim; State Legal Adviser's Chambers

Reported by Usha Thiagarajah

JUDGMENT

Abdul Malik Ishak J:

This appeal had a chequered history. It started with an acquittal of the appellant at the close of the prosecution's case without his defence being called and being dissatisfied the public prosecutor appealed, which appeal was successfully argued by Mr. Azman bin Abdullah, the learned deputy public prosecutor, for the public prosecutor. That success meant that the order of acquittal was reversed and the appellant was ordered to be re-tried before

another magistrate. I have since wrote a judgment in regard to the success of Mr. Azman bin Abdullah and that judgment has since been reported in two popular local journals : [1995] 4 MLJ 18 and [1996] 1 CLJ 217. Hereinafter that judgment will be referred to as "the reported judgment". Speed was the order of the day and the re-trial was heard by another magistrate who then found the appellant guilty and convicted him accordingly under s. 3(1)(b) of the Trade Descriptions Act 1972 ('Act') punishable under s. 18(1) of the Act. The learned magistrate fined the appellant RM10,000 in default six months imprisonment and hence the present appeal.

In the course of the appeal, Mr. Eow Khean Fatt, for the appellant, displayed a remarkable talent for being magnanimous towards his adversary. He was magnanimous enough to concede that the reported judgment depicted the correct legal position and that he was truly bound by it. He submitted that the reported judgment was applicable to the factual matrix of the present appeal. He pointed out that the subject matter of the offence was now confined to three units of steel wool with the "Lion" brand instead of 792 units. He took pains and carefully worded his words and he was quite truthful about the whole matter. He laboured on only one point and that was whether the trade description order obtained in pursuance of s. 16(1) of the Act before Wan Yahya bin Pawan Teh J (as he then was and who retired as a Federal Court Judge) at the Malacca High Court on 10 September 1988 encompassed the "Lion" brand and if the answer was in the positive he submitted that the appellant was rightly convicted and the appeal should be dismissed forthwith. In the event the answer was in the negative, he submitted that the appellant was entitled to be acquitted and be free to trade in that get up. Language is certainly the archives of history (Ralph Waldo Emerson, The Poet). To Mr. Eow Khean Fatt "fair words cost nothing" (John Gay, The Mohocks). To me, the chief merit of language is clarity, and we now know that nothing detracts so much from this as do unfamiliar terms (Galen, On the Natural Faculties). But it must not be forgotten that "the tongue of man is a twisty thing" (Homer, Iliad) and that "once a word has been allowed to escape, it can never be recalled" (Horace, Epistles, 1, 18). Then there is a saying that "only the just man enjoys peace of mind" (Epicurus, fragment).

The learned deputy public prosecutor in the person of Mr. Iskandar Shah bin Ibrahim took advantage of the magnanimous gesture of Mr. Eow Khean Fatt and, so to speak, made hay while the sun shines. His submissions were two folds. Firstly, that the trade description order obtained from the Malacca High Court included the "Lion" brand and, consequently, the appellant had run foul of the law. Secondly, standing independently from the trade description order which emanated from the Malacca High Court there was ample evidence to

convict the appellant of the charge. Indeed Mr. Eow Khean Fatt did not challenge that the ingredients of the offence have been proved beyond reasonable doubt by the prosecution and, consequently, the learned deputy public prosecutor had a field day in court.

The charge before the learned magistrate was worded thus:

> Bahawa kamu pada 16.5.91 lebih kurang jam 4.00 petang di premis Star Trading, Lot No. 1277, Jalan Tun Fatimah, Kangkar Tebrau, di dalam daerah Johor Bahru, di dalam Negeri Johor Darul Takzim di dalam perjalanan perdagangan telah menawar untuk membekalkan 3 unit 'steel wool' jenama Singa @ 35 gram baginya suatu perihal dagangan palsu iaitu warna dan corak steel wool tersebut yang menyerupai 'steel wool' jenama 'Double Axe' keluaran perusahaan Kertas Mei Wah No. 2717, Pantai Kundur 76400 Tanjung Kling, Melaka telah digunakan dan dengan itu kamu telah melakukan satu kesalahan dibawah Seksyen 3 (1)(b) Akta Perihal Dagangan 1972 dan boleh dihukum dibawah Seksyen 18 (1) Akta yang sama.

The prosecution witness adverted to the display of three units of steel wool with the "Lion" trade mark resembling in terms of colour and design with that of the "Double Axe" trade mark while the defence witness by the name of Ang Poon Chee ('DW3') went the other way round. At p. 73 of the notes of evidence DW3 testified as follows:

> Jalur cop dagang Singa tidak dirampas, saya ambil barang dia.
>
> 3 bungkus cop dagang Singa itu bukan untuk dijual.
>
> Q: Boleh tak orang awam nampak cap dagang Singa dalam premis tersebut?
>
> J: Tak boleh nampak. Itu kita simpan.

But unfortunately what was adverted to by DW3 was never put across to the prosecution witnesses. This was fatal as it went to the very root of the defence story. In *Browne v. Dunn* [1893] 6 R 67, a decision of the House of Lords where Lord Herschell LC, Lord Halsbury, Lord Morris and Lord Bowen were all unanimous on the effect of the failure to cross-examine a witness. Lord Chancellor Herschell, at p. 70 of the report, observed:

> Now, my Lords, I cannot help saying that it seems to me to be absolutely essential to the proper conduct of a cause where it is intended to suggest that a witness is not speaking the truth on a particular point, to direct his attention to the fact, by some questions put in cross-examination showing that the imputation is intended to be made, and not to take his evidence and pass it by as a matter altogether unchallenged and then, when it is impossible for him to explain, as perhaps he might have been able to do if such questions had

> been put to him, the circumstances which it is suggested indicate that the story he tells ought not to be believed, to argue that he is a witness unworthy of credit. My Lords, I have always understood that if you intend to impeach a witness you are bound, whilst he is in the box, to give him an opportunity of making any explanation which is open to him; and, as it seems to me, that is not only a rule of professional practice in the conduct of a case, but is essential to fair play and fair dealing with witnesses.

Lord Halsbury, the other panel of the House of Lords, at p. 76 of the report of the same judgment said:

> My Lords, with regard to the manner in which the evidence was given in this case, I cannot too heartily express my concurrence with the Lord Chancellor as to the mode in which a trial should be conducted. To my mind nothing would be more absolutely unjust than not to cross-examine witnesses upon evidence which they have given, so as to give them notice, and to give them an opportunity of explanation, and an opportunity very often to defend their own character, and, not having given them such an opportunity, to ask the jury afterwards to disbelieve what they have said, although not one question has been directed either to their credit or to the accuracy of the facts they have deposed to.

In *A.E.G. Carapiet v. A.Y. Derderian AIR* [1961] Cal 359, the court there held, *inter alia*, that:

> Wherever the opponent has declined to avail himself of the opportunity to put his essential and material case in cross-examination, it must follow that he believed that the testimony given could not be disputed at all. This is not merely a technical rule of evidence. It is a rule of essential justice. It serves to prevent surprise at trial and miscarriage of justice, because it gives notice to the other side of the actual case that is going to be made when the turn of the party on whose behalf the cross-examination is being made comes to give and lead evidence by producing witnesses. This much a counsel is bound to do when cross-examining that he must put to each of his opponent's witnesses in turn, so much of his own case as concerns that particular witness or in which that witness had any share.

Finally, in *Re Pichi Muthu* [1970] 2 MLJ 143 Sharma J said in his judgment:

> The learned president had misdirected himself in ignoring and overlooking the evidence of PW1 and PW2 and the total lack of any cross-examination of these witnesses touching the defence which was subsequently suggested for the first time only when the defence was called.

All these authorities would put the defence to naught. DW3's evidence failed to dislodge the prosecution's story as it was not put across to the prosecution's witnesses.

In the reported judgment, I did say that:

> The general public on seeing both the 'Double Axe' and 'Lion' trade marks with similarities in colours and designs would certainly be deceived into believing that the 'Lion' trade mark was in fact that of the 'Double Axe' trade mark. In short, the 'Lion' trade mark could pass off as the 'Double Axe' trade mark.

and, in my judgment, the same consequence would flow from the factual matrix of the present appeal. In another part of the reported judgment, I said solemnly that:

> It would not be incorrect to say that the respondent must have recognised that it was to their commercial advantage to be able to use the same get up for their goods as that which had been associated with that of perusahaan kertas Mei Wah, and indirectly, attracting to themselves some of the perusahaan kertas Mei Wah's goodwill and reputation (*F. Hoffman-La Roche & Company A.G. And Another v. D.D. SA. Pharmaceuticals Limited* [1972] R.P.C. page 1). In the Malaysian context, rural housewives will be easily deceived. The same colour schemes for both the 'Lion' and the 'Double Axe' trade marks would certainly fool rural housewives to opt for the 'Lion' trade mark products. The Registrar of Trade Marks would certainly not register a trade mark when it resembles or is likely to deceive or cause confusion (see section 19 (1) of the Trade Marks Act, 1976 [Act 175]). Had the respondent registered (P5) which to all intents and purposes bore colourable resemblance to the 'Axe Brand' trade mark, I am certain that it would be rejected by the Registrar of Trade Marks.

Clearly on the facts, the present appeal are poles apart from the case of *In The Matter of An Application By The Pianotist Company Ld For the Registration Of A Trade Mark* [1906] Vol XXIII Reports of Patent, Design 774, a decision of Mr. Justice Parker, where the brief facts may be stated as follows. An application was made for the registration as a Trade Mark of the word "Neola" for "a piano player, being a musical instrument included in Class 9". The registered proprietors of a Trade Mark "Pianola" registered for all goods in class 9 opposed the registration. The comptroller decided against the opponents and ordered the registration to proceed. The opponents appealed and the appeal was referred to the court. The court held that having regard to the kind of customers for such goods and a difference in the articles actually sold under the names, there was no likelihood of any confusion. The court then decided to dismiss the appeal with costs. The nature of the customers must

have influenced the court to dismiss the appeal with costs as those customers were not customers from "a grocer's shop." Mr. Justice Parker in a short judgment had this to say at p. 777 to p. 778 of the report:

> The only point at issue here is whether the limitation put on the power of the Comptroller by Section 72 of the Act of 1883 is applicable. That limitation is, reading it shortly and generally, that he is not allowed to register any goods having such resemblance to a Trade Mark already on the Register as to be calculated to deceive. That Section has been the subject of judicial decision on many occasions, and I think, without going into the details of the cases, it may be taken that the law is as follows:- You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances: and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case. In this particular case we have this state of circumstances, that the Opponents have on the Register the word 'Pianola.' The word 'Pianola' was undoubtedly invented by them and has been registered, and is a perfectly good Trade Mark. There is some sort of evidence that it has become associated in the mind of the public with the instrument, and not with the maker of the instrument - that is to say, that it has lost its primary signification of denoting an instrument made by a particular manufacturer, and has come to mean a particular class of instrument. That may be so, or may not be so. There is not any clear evidence on the subject, but some suggestion has been made with regard to it. Now the mark which is proposed to be registered, and which the Registrar has passed, is 'Neola,' and the argument before me has taken two lines. In the first place, it is suggested that the importance of the Trade Mark 'Pianola' lies in its termination, and that anybody who takes a word with a similar termination may cause confusion in the mind of the public. The second way it is put to me is, that the sounds of the words, although the look of the words may be different, are likely to be so similar that a person asking for a 'Pianola' might have a 'Neola' passed off on him, or *vice versa*. Of course, one knows that the persons who buy these articles are generally persons of some education, (it is not quite the same as somebody going and asking for washing soap in a grocer's shop) and some consideration is likely to attend the purchase of any instrument of the cost of either of these instruments, whether it be a 'Pianola' or a 'Neola.' Now, my opinion is that having regard to the nature of the customer, the article in question, and the price at which it is likely to be sold, and all the surrounding circumstances, no man of ordinary intelligence is likely

> to be deceived. If he wants a 'Pianola' he will ask for a 'Pianola,' and I cannot imagine that anybody hearing the word 'Pianola,' if pronounced in the ordinary way in the shop, and knowing the instruments as all shopmen do would be likely to be led to pass off upon that customer a 'Neola' instead of a 'Pianola.'

On the danger of the members of the public being deceived by a similarity of trade marks, reference to the case of *Jafferjee v. Scarlett* [1937] 57 CLR 115, a decision from the High Court of Australia, should be made. It is germane to refer to the decision of Latham CJ at pp. 121 to 123 of the report which clearly demonstrated that there was a real and substantial similarity between the two marks:

> In my opinion this appeal can be determined upon an examination of the characteristics of the marks in question as they will be used, without any particular reference to the fact that much of the flour bearing the mark may be sold in eastern countries.
>
> It is important to consider what has been described as the 'idea of the mark,' that is, the idea which the mark will naturally suggest to the mind of one who sees it. Lord Herschell's committee (quoted in Kerly on *Trade Marks*, 6th ed. [1927], at page 270) put the point very clearly in the following passage:- 'Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same; so that a person acquainted with the mark first registered, and not having the two side by side for comparison, might well be deceived, if the goods were allowed to be impressed with the second mark, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted. Take, for example, a mark representing a game of football; another mark may show players in a different dress, and in very different positions, and yet the idea conveyed by each might be simply a game of football. It would be too much to expect that persons dealing with trade-marked goods, and relying, as they frequently do, upon marks, should be able to remember the exact details of the marks upon the goods with which they are in the habit of dealing.'
>
> When a matter such as this comes before the court, the court has before it the two marks themselves, clearly shown, and available for direct and immediate comparison. Cases in which the marks are identical do not ordinarily come before a court. The question which arises is always whether there is a probability of deception because there is a resemblance, though there are also differences, between two marks. The court naturally and readily appreciates the distinctions between the marks which are seen side by side. When, however, the court has to determine the probability of deception arising from simultaneous user of the same marks in the same market, it is very important to remember that the purchasers in that market will not ordinarily have an opportunity of comparing the two marks side by side. They will compare the actual mark which they see upon goods which are offered to them with the

memory of the other mark, which they will retain in a more or less distinct form. They therefore will not be in the same position as that in which the court finds itself when it is endeavouring to determine whether or not they are likely to be deceived. The court must endeavour to put itself in the position of ordinary purchasers of goods who have noticed a trade mark as being distinctive of particular goods, but who have not compared that mark with any other mark, and who are quite probably not aware of the fact that another more or less similar mark exists. Such purchasers have not had the opportunity or the occasion to make a precise comparison of the two marks. They will be guided, so far as they are influenced by trade marks at all, by a general recollection or impression of the mark which they have seen.

It should not be assumed by the court that the probable purchaser is a specially stupid man, or, on the other hand, that he is a man who sets trade marks side by side and examines them with particularity. Taking, as well as I can, the point of view which I have indicated, I think that there is a real and substantial similarity between the two marks now before the court. There are, as I have said, many differences between them, but the general idea of men in athletic costumes engaged in an athletic contest with a line across their fronts is to be found in each mark. Looking merely at the marks themselves, I am unable to say that there is no probability of purchasers being deceived. It is necessary also to consider the ear as well as the eye. Purchasers very frequently endeavour to describe a mark in order to obtain the same goods as they have bought on a prior occasion. In this case I am not prepared to say that purchasers would not naturally describe the opponent's flour as the flour with the 'two men' on it, or the 'two athletes' or the 'two runners' and then, in the latter case, mistake a poorly stencilled mark of the javelin men for the mark of the running men.

The result is that, in my view, the matter is at least left in dubio and therefore that the application should be refused. For these reasons the appeal should be allowed and the application for registration dismissed.

In the same case, Dixon J had this to say at pp. 124 to 125 of the report:

The present case, however, raises two questions, one of which may turn upon a distinction between the provisions. From a practical point of view the competition between the parties is or will be in the markets of the east and not among the Australian public or among Australian traders. The appellant does not sell flour here. He buys it here and sells it in the east. It is fairly evident that the respondent's mark is or will be applied in a similar course of trade. In consequence of *Johnston v. Orr Ewing* [1882] 7 App. Cas. 219, it was long supposed that the habits of those who bought English goods in foreign countries must be taken into account in estimating the deceptive tendencies of a challenged mark. But in *Boord and Son (Inc.) v. Bagots, Hutton & Co. Ltd.* [1916] 2 A.C. 382, a distinction has been drawn between innocent likeness and an actual intention to deceive which, under section 114, would disqualify

the mark from registration because wherever the deception was intended it would deprive the mark of protection in a court of justice. Their Lordships appear to decide that, if a mark has been adopted in good faith and the resemblance is not such that in domestic trade it would deceive buyers, then registration cannot be refused simply because in a foreign market it might do so. The exact limits of this decision are not easily ascertained. But under the general law it is, I think, clear enough that, as between two marks or two methods of getting up similar goods, one would not be protected if it appeared that, although there had been no fraudulent intention in its adoption, yet in fact, in that market where the real competition existed, it gave the trader who used it all the advantages of confusion and deception. If so, I do not see why section 114 should be less applicable than in the case of actual fraud, provided, that is, that the substantial use of the mark is in foreign trade and therefore the possibility of confusion abroad is not hypothetical or speculative. The difficulty in all cases where similarity is in question lies not in discerning the actual physical resemblances and differences of the marks side by side, but in determining what impressions will be formed and retained by potential buyers. It, therefore, must often really beg the question to inquire first whether there is such a resemblance as to deceive in the domestic market and then, having answered that inquiry in the negative, to treat as irrelevant the tendencies of the people to whom the goods are actually sold under the trade mark. It appears to me that, in a case where there are features in the two marks which might tend to confuse, the question whether there is a real and substantial probability of deception must be decided by reference to the actual course of dealing and, if that takes place abroad, the conditions there prevailing must be considered. This view accords with what is said in *In re Chemische Fabrik Greisheim Elektron* [1910] 27 R.P.C. 201; *In re La Societe Anonyme Dubonnet* [1915] 32 R.P.C. 241, as well as in *Johnston v. Orr Ewing* [1882] 7 App. Cas 219, and I do not think it is in conflict with that expressed by Lord Dunedin in *George Banham & Co. v. F. Reddaway & Co.* [1927] A.C. 406, at page 415. For there the question was whether a mark not otherwise registrable could obtain distinctiveness by foreign use alone.

Back to the local scene, would be the case of *M.I. & M. Corporation & Anor v. A. Mohamed Ibrahim* [1964] 30 MLJ 392 FC where Thomson LP had to decide on the question of infringement and passing off as well as the issue of deception in these words (see p. 394 of the report):

On that evidence the trial judge came to the conclusions that there had been both infringement and passing off and the only ground on which these conclusions have been attacked is:

> The learned trial judge was wrong in law in holding on the facts that the device as used by the appellants was likely to deceive or cause confusion or enable the appellants to pass off goods as and for the goods

of the respondent.

The question of whether a device used as a trade mark so nearly resembles another as to be likely to deceive or cause confusion is a question of fact (see *Rysta Ltd's Application* [1943] 60 R.P.C. 87 at page 105). As was said by Lord Cranworth in *Seixo v. Provezenda* [1865] 1 Ch.D. 192: 'What degree of resemblance is necessary .... is from the nature of things incapable of definition a priori'. Numerous principles have been enunciated as to the way in which the question of fact should be approached, many of which have been cited to us in argument. To embark on any lengthy discussion of these would only be to repeat in possibly less felicitous language much of the learning that is to be found in Kerly on Trade Marks.

In the present case the crucial evidence was that of the labels themselves. I am not saying that the other evidence is to be disregarded but that evidence by itself probably did not go further (it certainly went as far) than making out that the defendants intended to produce a label the appearance of which would be close to that of the plaintiff without being so close to it as to expose them to an action like the present. They knew what the plaintiff's label looked like and they knew that he had already commenced proceedings against another party to protect it. They altered the colours of the mark they had acquired with their business to the same colours and the same arrangement of colours as that used by the plaintiff though on the colours commonly used by jobbing printers over a hundred different arrangements of colours would have been available to them. They even went to the same printer as the plaintiff.

On all that there is little if any room for doubt as to what their intentions were. That, however, is not enough; it does not go beyond the permissible limits of commercial chicanery. The real question is whether they went too far and that is to be decided principally on the appearance of the labels themselves and the ways in which the two flowers appeared on them.

We ourselves have seen the two labels on the various sizes of tins to which they were affixed and have had every point of similarity and dissimilarity pointed out by counsel. Looking at them side by side they are clearly different and looking at them side by side nobody could possibly mistake the one for the other. The two flowers differ in many details and though their position on the labels is the same the surrounding wording differs. Even the most careless and ignorant person seeing them side by side on a shelf in a well-lighted grocer's shop could see that they are different. That, however, is not the test to be applied in a case of this sort for if it were it would render nugatory the protection which the law gives to trade and trade marks. For myself I would adopt the test applied by Sargant J. in the case of *Sandow Ltd's Application* [1914] 31 R.P.C. 196 at page 205, which was a registration case. He said:

> The question is not whether if a person is looking at two Trade Marks side by side there would be a possibility of confusion; the question is whether the person who sees the proposed Trade Mark in the absence of the other Trade Mark, and in view only of his general recollection of what the nature of the other Trade Mark was, would be liable to be deceived and to think that the Trade Mark before him is the same as the other, of which he has a general recollection.

> That general recollection test is to be applied having regard to the sort of people who would buy the goods in question and the circumstances in which they buy. In the present case the test is to be applied in relation to people who are generally illiterate and who do their shopping in small dark grocers' shops where large quantities of goods are crowded in a disorderly manner into a very small space. It is to be remembered, too, that a flower of some sort is a common trade mark in connection with this particular commodity. In my view the general recollection on the part of the plaintiff's mark which would affect the minds of such customers in such circumstances would not be a flower (which they would take for granted) or of any particular sort of flower but of the colouring of the flower and its arrangement on the label. I am thus compelled to the conclusion that the flower device as used by the appellants was in fact likely to deceive or cause confusion and so enable the appellants to pass off their goods as and for the goods of the respondents.

Thus, when displaying the three units of steel wool bearing the picture of a "Lion" as a trade mark on an identical label design and in the same colour and design get up as that of perusahaan kertas Mei Wah, Pantai Kundor, Tanjong Kling, Malacca which bore the picture of a "Double Axe", it was done for the purpose of selling those goods and passing them off as the products of perusahaan kertas Mei Wah. The general recollection test must be applied "to people who are generally illiterate and who do their shopping in small dark grocers' shops where large quantities of goods are crowded in a disorderly manner into a very small space." The scenario appears to be the same in the present appeal. In the words of Jamil bin Buang [PW1] at p. 15 of the notes of evidence:

> Ya, saya menjumpai premis yang di beritahu oleh aduan itu.
>
> Premis merupakan sebuah bangunan yang menempatkan dan menjual barang-barang keperluan rumahtangga.

At p. 16 of the notes of evidence, PW1 testified:

> Hasil pemeriksaan saya menemui ... 3 bungkusan steel wool jenama 'Singa'.
>
> Saya menjumpainya di rak meletak barang-barang dalam premis tersebut.

Rak tempat letak barang-barang ini ianya secara terbuka dan bercampur dengan barang-barang yang lain.

Premis ini menjual barang-barang keperluan rumahtangga dan barang-barang lain iaitu terdiri dari penyapu, dapur dan banyak lagi.

As Kerly says in his 8th Edition on the *Law of Trade Marks* at p. 409:

> ... the tribunal ought not merely to look at the marks as they stand side by side, for, from the nature of the case, they would not be so put before any customer whom it is sought to deceive by means of either of them. He can only contrast the mark upon the goods offered to him with his recollection of the mark used upon those he is seeking to buy, and allowance must be made for this in estimating the probability of deception. Any other rule would be of no practical use.

Earlier on at p. 405, the learned author had this to say:

> When the question arises whether a mark applied for bears such resemblance to another mark as to be likely to deceive, it should be determined by considering what is the leading characteristic of each. The one might contain many, even most, of the same elements as the other, and yet the leading, or it may be the only, impression left on the mind might be very different. On the other hand, a critical comparison of two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same.

I cannot help but feel constrained to say that an ordinary purchaser has an ordinary memory and I must therefore tread cautiously and make due allowance for an imperfect recollection.

I have taken the liberty to scrutinise the "Double Axe" steel wool marked as exh. P3 and also the three units of steel wool bearing the "Lion" brands marked as exhs P5A to P5C at my own pace. The learned deputy public prosecutor implored me to take note of the manner in which the wrappers for exhs. P3, P5A to P5C were done up. Seeing these exhibits in its correct perspective, I am driven to conclude that the prosecution had proved its case beyond reasonable doubt under s. 3(1)(b) of the Act punishable under s. 18(1) of the Act. Exhibits P5A to P5C were perfect examples of goods which were being sold and passed off as products of perusahaan kertas Mei Wah. It was my judgment that exhs. P5A to P5C had strong striking resemblance in terms of colour and design with that of exh. P3. Seeing is indeed believing and one needs only do just that to be convinced of the criminal culpability of the appellant. The essence of the charge against the appellant was for exposing

exhs. P5A to P5C at the premises of Star Trading, Lot No. 1277, Jalan Tun Fatimah, Kangkar Tebrau, in the district of Johor Bahru in the manner as described by PW1 and by virtue of s. 8 of the Act, the appellant shall be deemed to offer or supply them to the members of the public. The deeming provision would certainly be activated against the appellant.

Section 16(3) of the Act shackled the appellant to the ground tightly. It enacts that:

> A subsisting trade description order made by any High Court in Malaysia shall be admissible in evidence in any proceedings under this Act in which it is relevant as conclusive proof of a false trade description.

and this meant that the trade description order from the Malacca High Court was conclusive proof, in proceedings under the Act, that the "Lion" get-up was a false trade description when applied to and in the context of the "Double Axe" trade mark. Obviously, the usage of s. 16(3) of the Act was simply to assist the prosecution in prosecuting offenders like the appellant under the Act. As Abdul Aziz J said in *In-Comix Food Industries Sdn Bhd v. A Clouet & Co (KL) Sdn Bhd* [1997] 4 MLJ 71 particularly at p. 76 of the report:

> An interested person applies for a trade description order in order to move the machinery of the criminal law to counter the infringement of his rights. The only use of a trade description order, as can be seen from sub-section (3), is as conclusive proof, in proceedings under the Act, that the infringing trade mark or get-up is a false trade description when applied to the goods specified in the order. Its use is, therefore, for the purposes of offences under the Act in which it is relevant.

The value of the trade description order from the Malacca High Court can never be doubted. It strengthens the prosecution's case and it makes life easier for the prosecutor. The prosecution will always garner a conviction with the aid of the trade description order. Abdul Aziz J continued in his judgment at pages 76 to 77 of the report in *In-Comix Food Industries Sdn Bhd v. A Clouet & Co (KL) Sdn Bhd [supra]*:

> The main offence under the Act is in section 3. There are actually two offences there. I shall just take the offence under para (b) of sub-section (1), which is that of supplying or offering to supply any goods to which a false trade description is applied. Let us say that the subject-matter of a trade description order that the interested person has obtained is an infringing trade mark X and the goods specified in the order are goods A. If a retailer sells goods A to which trade mark X is applied, it may be that the retailer in the absence of the trade description order, cannot be successfully prosecuted for the offence either because the trade mark X cannot be shown to be a trade description as

> defined in section 4 or because, even if it can be shown to be a trade description, it cannot, as a trade description, be proved to be false as explained in section 5. The interested person may succeed, probably after prolonged litigation, in an infringement of trade mark action or a passing-off action against a retailer or the manufacturer of goods A arising from the use of the trade mark X by them. However whatever evidence that may be available to the interested person to succeed in that civil action need not necessarily be sufficient to constitute proof against the retailer of the offence of supplying goods to which a false trade description is applied. With a trade description order however, a successful prosecution against the retailer becomes possible. There is no need to show that trade mark X is a trade description under section 4 or that, as a trade description, it is false as explained in section 5. The trade description order itself has declared trade mark X to be a false trade description when applied to goods A, and sub-section (3) of section 16 provides that it is conclusive proof. The retailer stands hardly any chance of escaping conviction. Not only has the trade description order provided conclusive proof against him, it is also proof of something which, without the trade description order, may not even amount to an offence.

In my judgment, the trade description order of the Malacca High Court is conclusive proof of a false trade description for purpose of the Act and the prosecution is not duty bound to prove any of the matters enumerated in Part II of the Act. From the facts unfolded before the learned magistrate, the complainant by the name of Teo Chwee Bok ('PW3') furnished PW1 with that trade description order and the officers of the enforcement division swung into action and raided the premises as per the charge which finally led to the seizure of three units of steel wool with the "Lion" brands as they were offered for sale and this was followed by the prosecution of the appellant.

In view of the existence of the trade description order from the Malacca High Court, Mr. Eow Khean Fatt knew that he was going on an uphill task. As a "formidable instrument" that trade description order would place the act of criminality at the door of the appellant. It was for this reason that Mr. Eow Khean Fatt argued that that trade description order did not cover the three units of steel wool bearing the "Lion" brands. I have reproduced in verbatim that trade description order in the reported judgment and perhaps I am forgiven for reproducing them in this judgment:

ORDER

> **UPON MOTION** made unto this Court pursuant to *Ex-parte* Notice of Originating Motion **AND UPON READING** the said *Ex-parte* Notice of Originating Motion dated the 2nd day of November, 1987 and the Affidavits of Teo Chwee Bock affirmed on the 30th day of October, 1987; on the 13th

day of April, 1988 and on the 30th day of August, 1988 and filed herein **AND UPON HEARING** Mr. Anselm Fernandis of Counsel for the Applicant **IT IS ORDERED** as follows:-

(1) That the manufacture, import, sales, distribution or supply by any unauthorised persons of steel wool bearing the trademark consisting of the words DOUBLE AXE and a device as is more specifically represented in the Schedule hereto or any other word or device mark which is of phonetic or colourable resemblance thereto be deemed a false trade description within the Trade Descriptions Act 1972;

(2) That the use by persons who are not the licensed or permitted users of the said trademark consisting of the words DOUBLE AXE and accompanying device as is more specifically represented in the Schedule hereto or any other word or device mark which is of phonetic or colourable resemblance thereto in connection and in association with steel wool be deemed a false trade description within the meaning of the Trade Descriptions Act 1972;

(3) That the costs of this application be paid by the Applicant in any event.

Dated this 10th day of September, 1988

Sgd.
Senior Assistant Registrar
High Court, Malaya,
Malacca.

This order is filed by Messrs. Amir Toh Francis & Partners of Suite 6.02, 6th Floor, Wisma MCA, 163, Jalan Ampang, 50450 Kuala Lumpur, Solicitors for the applicant. (P.C. 25)

The crucial words in that trade description order would be:

(1) ... or any other word or device mark which is of phonetic or colourable resemblance thereto be deemed a false trade description within the Trade Descriptions Act 1972.

(2) ... or any other word or device mark which is of phonetic or colourable resemblance thereto in connection and in association with steel wool be deemed a false trade description within the meaning of the Trade Descriptions Act 1972.

You do not have to use a "Double Axe" brand on a steel wool product to run foul of the trade description order. All you need do is to produce a product in connection and in association with steel wool having colourable resemblance

with the "Double Axe" brand. Thus, by producing three units of steel wool resembling in terms of colour schemes and designs with that of "Double Axe" brand notwithstanding that the appellant named the product as "Lion", the appellant has gone against the grain of that trade description order which was worded in an all embracing language. This was my judgment and I so hold accordingly. I am, nevertheless, mindful of the decision in *Re Chan Kuan Sang* [1993] 2 MLJ 375 where the court there held that the applicant had valid reasons to oppose the trade description order where it contained words which did not identify clearly and specifically the contravening trade mark. But that was not a criminal case. It was a case that went by originating motion where the applicant prayed for four declarations. In that case a trade description order was obtained under s. 16 of the Trade Descriptions Act 1972 by Sin Fong Industries Sdn Bhd, the registered owner of a trade mark on braids and binding products manufactured by the said company. The trade description order stated that the manufacture, sale, distribution or supply by any person or persons of braids or binding or related products of a similar description bearing the trade mark of the said company or identical to or of colourable resemblance to the said trade mark shall be deemed a false trade description within the meaning of the Act. The first and second declarations sought for concerned the validity of the trade description order whereas the third and fourth declarations involved the interpretation of the scope of the trade description order. The court allowed the first and second declarations but refused to allow the third and fourth declarations because it meant interpreting the trade description order in its applicability to the facts of criminal cases which were still pending with the purpose of influencing the outcome of the allegations.

I too am aware of the decision of Yusoff J in *Chung Shin Kian & Anor v. Public Prosecutor* [1980] 2 MLJ 246 where at p. 247 of the report his Lordship said:

> In my view, section 16 of the Act clearly means what it says. The subsisting trade description order granted by the High Court is admissible evidence as conclusive proof of a false trade description where the cause of action was at the instance of the proprietor or registered user of a registered trade mark alleging that his rights in respect of such trade mark have been infringed.

and I am in total agreement with the view as expressed by his Lordship on this point. But when his Lordship continued to say that (see p. 247 para. H of the report):

> It is also my view that reliance cannot be had on this subsisting trade description order as conclusive proof of a false trade description, in a criminal prosecution, under section 3 of the Act. It is imperative that the term 'a false trade description' appearing in section 3 should be interpreted in accordance

> with sections 4 to 8 of the Act - see subsection (2) of section 3. With this view, there is no necessity for me to decide whether the subsisting order under section 16, granted by the High Court in Malaya [exhibit P32] extends to proceedings in the courts in Borneo, and for the same reason, reliance on section 8 of the Act was misplaced.

I must at once record my dissent as it goes against the grain of s. 16(3) of the Act. With respect to Yusoff J, Parliament has ordained that the subsistence of a trade description order serves as conclusive proof of a false trade description and the duty of the court must be and should be to give due effect to it. In *Attorney-General v. Milne* [1914] AC 765 it was held that the words of a statute are to be interpreted as bearing their natural meaning. In my judgment, when the words of a statute, like the Act in question, is so plain then there is no scope for rules of construction. Scott LJ in *Croxford v. Universal Insurance Co* [1936] 2 KB 253 at p. 281 succinctly said that:

> Where the words of an Act of Parliament are clear, there is no room for applying any of the principles of interpretation which are merely presumptions in cases of ambiguity in the statute.

Perhaps the best approach would be the approach suggested by Lord Warrington in the case of *Barrell v. Fordree* [1932] AC 676 at p. 682:

> In my opinion the safer and more correct course of dealing with a question of construction is to take the words themselves and arrive if possible at their meaning, without in the first instance reference to cases.

Then there is the speech of Evershed MR in *Bewlay v. British Bata Shoe Co.* [1959] 1 WLR 45 at p. 49 where his Lorship said:

> I prefer to avoid exegeses of the statutory language unless they are absolutely necessary: for the result would otherwise tend thereafter to substitute for the problem of construction of parliamentary language the problem of the construction of the judgment of the courts.

I must give effect to s. 16(3) of the Act and in so doing, I am in total agreement with Abdul Aziz J in *In-Comix Food Industries Sdn Bhd v. A Clouet & Co (KL) Sdn Bhd [supra]* when his Lordship said that: "A trade description order is a formidable instrument in criminal law ... ." In my judgment, a trade description order goes a long way; it allows a person interested in a trade or other mark or get-up to enforce his rights in respect of that order in and under the auspices of the criminal law, of course on proof of infringement. In the context of the present appeal there was a clear cut case of infringement of s. 16(3) of the Act. There are no two ways about it.

There are two principal offences under s. 3 of the Act. One is applying a false trade description to goods. The other is supplying or offering to supply goods with a false description (*Syarikat Chip Seng Trading Sdn Bhd & Anor v. Public Prosecutor* [1979] 2 MLJ 82). Reading sub-ss. 1 (a) and (b) of s. 3 of the Act, I am constrained to hold that these offences are not meant to be an alternative to one another. It is for this reason that an individual can be charged for both offences. The appellant here is lucky that he was charged for one offence (*Tang Kee Chie v. Public Prosecutor* [1987] 1 MLJ 430). It appears that the only defence under s. 3 of the Act would relate to knowledge and that being the case it must be implied that an offence under this section must necessarily be one of strict liability. However, the absence of knowledge would not be a bar to a conviction (*Ang Seng Ho v. Public Prosecutor* [1991] 3 MLJ 334; and *Clode v. Barnes* [1974] 1 WLR 544). In offering to supply the three units of steel wool with a "Lion" brand, and exposing them in the premises as itemised in the charge, the appellant shall be deemed to offer or supply them within the context of s. 8 of the Act. I will now reproduce s. 8 of the Act:

> A person exposing goods for supply or having goods in his possession for supply shall be deemed to offer or supply them.

and I lay stress on the words "having goods in his possession" which must necessarily mean control and the use of it to the exclusion of others. This seems to be the view of Simpson J in *Shaik Sahied bin Talip v. Khoo Kang Chek* [1934] MLJ 283 at 288 when his Lordship said :

> In common speech a man is said to possess or to be in possession of anything of which he has the apparent control, or from the use which he has the apparent power of excluding others.

Sharma J in *Public Prosecutor v. Hing Ah Huat* [1971] 1 MLJ 52 at 53 had this to say in regard to possession:

> The word 'possession' implies a physical capacity to deal with a thing as one would like, to the exclusion of everyone and a determination to exercise that physical power on one's own behalf. It implies dominion and consciousness in the mind of the person having dominion over the object. Possession must be conscious and intelligent possession and not merely the physical presence of the accused in proximity or even the close proximity to the object.

Going to the United Kingdom, the judges there construed the word "possession" in a popular and not in a narrow or restricted sense. Taking into account the commercial world as well as the domain of the criminal law, the

English judges have gone on to interpret the word "possession" to mean something more than physical possession: *Webb v. Baker* [1916] 2 KB 753; and *Towers & Co Ltd v. Gray* [1961] 2 All ER 68. In the context of the present appeal, s. 8 of the Act should be vigorously applied against the appellant.

It is interesting to note that s. 3(1) of the Act employs the words "in the course of a trade or business" and it encompasses an isolated transaction though solitary yet it does not preclude it to be labelled as a transaction being in the nature of a trade: *E. v. Comptroller-General of Inland Revenue* [1970] 2 MLJ 117. It must be borne in mind that the expressions "trade" and "business" are synonymous with one another (*Grainger & Son v. Gough* [1896] AC 325 at 343) and it is correct to say that the term business" is wider than the term "trade" (*Re A Debtor (No. 3 of 1926)* [1927] 1 Ch 97). Thus, putting exhibits P5A to P5C in the premises as set out in the charge the appellant was conducting a trade or a business and has run counter to s. 3(1)(b) of the Act. This was my judgment and I so hold accordingly.

Reverting back to the issue of deception, rural housewives or illiterate purchasers when purchasing steel wools would base their choice on the recollection test. These purchasers would be attracted to the colour schemes and designs and inevitably purchase the products bearing the "Lion" brand thinking that it was the "Double Axe" brand. Deception would be the order of the day. No doubt deception is not an ingredient of the offence under s. 3(1)(b) of the Act yet when "any person who, in the course of a trade or business supplies or offers to supply any goods to which a false trade description is applied" it would by necessity bring in the concept of deception. In my judgment, deception must be caused by the accused to generate inducement in the mind of not only the complainant in the person of PW3 but also the purchasers. The case of *Ramautar Choukhany v. Hari Ram Todi* [1982] Cri LJ 2266 [Gau] would be a good example of the kind of deception that had the effect on the mind of the complainant. Dr. Murray's New English Dictionary defines deception to mean causing to believe what is false, or misleading as to a matter of fact, or leading into an error (*Wooley* [1850] 4 Cox 193).

The appellant in his defence did not seek to rely on the defence as set out in Part VII of the Act.

The appellant must have known that he was in breach of the trade description order of the Malacca High Court from the very beginning and he was merely challenging that order by arguing that it did not cover his "Lion" product.

Was this challenge in the form of a disclaimer? Certainly not. The facts did not point to a disclaimer at all. The kind of disclaimer as enunciated by Lord Widgery CJ in *Norman v. Bennett* [1974] 3 All ER 351 at 354, [1974] 1 WLR 1229 at 1232 in these words:

> To be effective, any such disclaimer must be as bold, precise and compelling as the trade description itself and must be as effectively brought to the notice of any person to whom the goods may be supplied. In other words, the disclaimer must equal the trade description in the extent to which it is likely to get home to anyone interested in receiving the goods.

was absent in the present appeal. Having examined exhs. P5A to P5C meticulously and scrupulously there was nothing written there to reflect a disclaimer on the part of the appellant. I have no choice but to affirm the conviction and sentence imposed by the learned magistrate on the appellant. The appeal by the appellant must therefore be dismissed forthwith.